



**State of Connecticut**  
**HOUSE REPUBLICAN OFFICE**  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

**Testimony on House Bill 5312**  
**Transportation Committee**  
**March 5, 2018**

Chairmen Guerrera, Leone and Boucher, Ranking Member Carney and Members of the Transportation Committee, the House Republican Caucus would like to thank the Committee for this opportunity to speak on **House Bill 5312: An Act Concerning the Recommendations by the Department of Motor Vehicles Regarding the Motor Vehicle Statutes.**

Our Caucus requested that this committee raise a bill to privatize services of the Department of Motor Vehicles. While we may disagree on whether to do so, we hoped by raising such a bill that the Transportation committee would at least entertain a discussion about such an important policy change. Unfortunately, the Department bill the committee did raise – House Bill 5312 which is before you today – is our only opportunity this legislative session to start this conversation.

We believe it's time we make a structural change and expand our public-private partnerships in an effort to provide DMV-related services to the public in the most convenient and efficient way possible. "The way we've always done it" isn't working. It's time to change course.

Consequently, we respectfully request that substitute language be added to HB 5312 to require the DMV to privatize its services that are not already privatized.<sup>1</sup> Interestingly, the DMV already has the authority to contract out its services<sup>2</sup> but has chosen only to allow the AAA to process drivers' license renewals and registration transactions.<sup>3</sup> The DMV provides 131 different services, but only a few of these services need to be done by the department.<sup>4</sup> At least some privatization, expanding Department reliance on contracts with independent contractors and delegating simple transactions to them, would provide Connecticut motorists with more options and more convenience.

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<sup>1</sup> In 2011, the legislature required the DMV to report on alternatives for license renewals and registrations, including privatization. Unfortunately, only three paragraphs of the 15 page report addressed privatization. (PA 11-213, sec. 50).

<sup>2</sup> Conn. Gen. Stat. sec. 14-3.

<sup>3</sup> Pursuant to CGS 14-41(b), AAA currently processes 30% of license renewals.

<sup>4</sup> Due to privacy and identity concerns, the department's function could be limited to only what's necessary to comply with federal Real ID Act requirements.

Connecticut wouldn't be the first to privatize DMV services. In fact, 18 other states have at least some of their DMV services provided by the private sector and 10 states even outsource drivers' tests. Seven states have registration and licensing split between more than one agency, thirty-one states have a motor vehicle division or office within a larger state agency.<sup>5</sup> Missouri contracts out almost all of its DMV services to private entities.

The private sector does a much better job of customer service and they have a competitive reason to cut costs, improve efficiency, and ensure customer satisfaction. The government's current monopoly on providing DMV services provides no effective incentive for ensuring customer satisfaction – it's not as if the customer can go elsewhere. Where they can, they do – as evidenced by the increasing movement of customers to AAA, and the loud outcry when such private services are no longer available.

The more government tries to do, the less it does well. We can do more with less if we focus on our core government function. Privatizing DMV services is a positive step in the right direction.

Thank you again for the opportunity to speak on this important issue. I look forward to working with you and the members of your committee as this bill moves through the process.

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<sup>5</sup> Connecticut is one of only 9 states that have a free-standing DMV.